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September 27, 2000

Via Federal Express

Chief Clerk Illinois Commerce Commission 527 E. Capitol Street Springfield, IL 62701

RE: Notification of Zone Telecom of Its Intent to Acquire Selected Assets of The Furst Group, Inc.

Zone Telecom, Inc. ("Zone") hereby notifies the Illinois Commerce Commission ("Commission") of the proposed assignment of selected assets from The Furst Group, Inc. ("Furst") to Zone. 1/ Please datestamp the enclosed additional copy of this letter and return it in the selfaddressed, prepaid envelope provided.

As detailed below, the customers subject to such assignment will receive timely notification of the change in compliance with Federal Communications Commission ("FCC") requirements. Furst is an authorized reseller of intrastate interexchange telecommunications services in Illinois. In a separate, concurrently filed application (the "Application for Authority"). Zone is requesting the issuance of a Certificate to Become a Telecommunications Carrier to provide non-dominant resold and facilitiesbased intrastate interexchange telecommunications services to residential and business customers in Illinois, thereby enabling Zone to serve the customers of Furst following its acquisition of the assets that are the subject of the instant notification. In order to ensure that the transition of service

It is our understanding, after discussions with Commission staff, that 1/ this notification is all that is required by the Commission in connection with the asset transfer from Furst to Zone because both companies are interexchange carriers.

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from Furst to Zone is transparent to customers, Zone respectfully requests that the Application for Authority be processed and granted expeditiously.

## Zone Telecom, Inc.

Zone is a Delaware corporation whose principal office and place of business is located at 279 Harvard Street, Suite 21, Cambridge, Massachusetts 02139. Zone is an indirect wholly owned subsidiary of e-Kong Group Limited ("e-Kong Group"), a widely held Bermuda corporation whose stock is listed on the Hong Kong Stock Exchange. The only individual or entity holding more than ten percent of the issued and outstanding stock of e-Kong Group is Goldtron Limited, a Singapore corporation, which has an 11.12 percent non-controlling voting stock interest. e-Kong Group's principal office and place of business is located at Suite 2101-3, K. Wah Centre, 191 Java Road, North Point, Hong Kong.

e-Kong Group is a prominent Hong Kong-based Internet company with operations throughout Asia. In Hong Kong, e-Kong Group is engaged in the telephone business as a reseller through its operation of a unique scalable and portable service portal that provides customers with access to a wide range of international long distance carriers at a single source, thereby enabling users to select the most competitive prices for their calls. e-Kong Group has approximately 320 employees world-wide.

# Description of the Assignment of Selected Assets from Furst to Zone

Pursuant to an Asset Purchase Agreement between Zone and Furst and their respective corporate parents dated as of August 4, 2000 (the "Agreement"), Zone plans to acquire certain assets of Furst used in connection with the provision of resold and facilities-based retail and wholesale intraLATA and interLATA long distance services to residential and business customers in the State of Illinois. The customers associated with these services (the "Assigned Customers") also will be assigned to Zone. The consideration to be paid by Zone in exchange for the Furst assets will be in the form of (1) cash and shares of stock in e-Kong Group, and (2) the assumption by Zone of certain preexisting liabilities of Furst.

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Upon obtaining the authority requested in the concurrently filed Application for Authority, Zone will, to the extent applicable, adopt the provisions of the tariffs and price lists now in effect for Furst. 2/

Pursuant to Illinois and FCC rules, Furst and Zone will provide the Assigned Customers with timely notice stating that (1) a carrier change is taking place, (2) the carrier change will not result in any charges to the customer, and (3) the customer has the right to change the customer's presubscribed long distance carrier if desired; and providing (4) a toll free number for questions. Zone and Furst have secured a waiver from the FCC's presubscribed carrier letter of authorization ("LOA") rules. 3/ To the extent Illinois' LOA (anti-slamming) regulations at 220 ILCS 5/13-902 apply, Zone also hereby requests a variance or waiver thereof in order to facilitate the timely consummation of the proposed transaction.

# The Transaction is in the Public Interest

The proposed transfer of assets will facilitate competition in the provision of a variety of telecommunications services in Illinois. The public interest will also be served through Zone's proposed services by contributing to the full utilization of existing interexchange telecommunications plant and by providing cost effective rates for interexchange telecommunications services. As explained above, Zone's corporate parent, e-Kong Group, is a leader in the development and deployment of innovative competitive telecommunications services that aim, above all, to provide customers with flexibility and choice. Zone will be guided by the same principles as it enters the telecommunications marketplace in Illinois.

By virtue of its affiliation with e-Kong Group, Zone is well qualified to provide reliable competitive telecommunications services to residential and business customers in Illinois. Zone's management will bring to bear the expertise of its parent company in the provision of efficient, innovative and reliable telecommunications services throughout Illinois.

**<sup>2</sup>**/ Pursuant to the Commission's requirements, a copy of Zone's tariff will be provided to the Commission following certification.

<sup>3/</sup> The Applicants filed an Emergency Petition for Wavier of the Subscriber Change Provisions of the Telecommunications Act of 1996 and the FCC's Rules on August 7, 2000, and filed a supplement on August 9, 2000.

See Exhibit A. On September 1, 2000, the FCC granted the Petition. See Exhibit B.

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For service, billing and repair inquiries, customers will be able to contact Zone representatives 24 hours per day, seven days per week, at 1-800-233-4736 and 1-800-626-4736, or by writing to Zone Telecom, Inc., Customer Service Division, 459 Oakshade Road, Shamong, NJ 08088.

Zone hereby agrees to abide by all applicable statutes, orders, rules and regulations adopted by the Commission governing the provision of telecommunications services by Zone. Because Zone will be a non-dominant, competitive provider of telecommunications services in Illinois, it respectfully requests that it be subject to the same streamlined regulatory treatment afforded other competitive carriers in Illinois.

If you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

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